

LATHAM & WATKINS LLP
Patrick E. Gibbs (SBN 183174)
Jennie Foote Feldman (SBN 248375)
140 Scott Drive
Menlo Park, California 94025
Telephone: (650) 328-4600
Facsimile: (650) 463-2600

Attorneys for Defendants Terayon Communication
Systems, Inc., Zaki Rakib, Jerry D. Chase, Mark A.
Richman, Edward Lopez, Ray Fritz, Carol
Lustenader, Matthew Miller, Shlomo Rakib, Doug
Sabella, Christopher Schaepe, Mark Slaven, Lewis
Solomon, Howard W. Speaks, Arthur T. Taylor, and
David Woodrow

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ADRIAN MONGELI, Individually, And On)
Behalf Of All Others Similarly Situated,)

Plaintiffs,)

v.)

TERAYON COMMUNICATION SYSTEMS,)
INC., ZAKI RAKIB, JERRY D. CHASE,)
MARK A. RICHMAN, EDWARD LOPEZ,)
RAY FRITZ, CAROL LUSTENADER,)
MATTHEW MILLER, SHLOMO RAKIB,)
DOUG SABELLA, CHRISTOPHER)
SCHAEPE, MARK SLAVEN, LEWIS)
SOLOMON, HOWARD W. SPEAKS,)
ARTHUR T. TAYLOR, DAVID)
WOODROW, and ERNST & YOUNG, LLP,)

Defendants.)

CASE NO.: C 06-03936 CW

CLASS ACTION

**NOTICE OF COMPLIANCE WITH 28
U.S.C. § 1715 *et seq.***

1 Terayon Communication Systems, Inc., Ernst & Young LLP and Zaki Rakib, Jerry D.
2 Chase, Mark A. Richman, Edward Lopez, Ray Fritz, Carol Lustenader, Matthew Miller, Shlomo
3 Rakib, Doug Sabella, Christopher Schaepe, Mark Slaven, Lewis Solomon, Howard W. Speaks,
4 Arthur T. Taylor, David Woodrow (collectively "Defendants") submit this Notice of Compliance
5 with 28 U.S.C. § 1715 *et seq.* ("Class Action Fairness Act of 2005") and state:

6 1. In compliance with 28 U.S.C. § 1715(b) Defendants caused a notification letter to
7 be sent to the United States Attorney General and to the Attorney General of each state in which
8 a purported class member was known to reside as of May 2006. *See* Notification Letter, attached
9 as Exhibit 1; *see, also*, Proof of Service, attached as Exhibit 2. The letter was served within ten
10 days of the filing of the Stipulated Proposed Settlement in this Court as required by 28 U.S.C. §
11 1715(b).

12 2. The letter enclosed a compact disc containing electronic copies of the following
13 documents: (1) a copy of the complaint and amended complaint; (2) estimates of the number of
14 class members who reside in each state and their estimated proportionate share of the proposed
15 settlement; (3) notice of the preliminary fairness hearing scheduled in this Court for April 3,
16 2008; (4) the Joint Motion for Preliminary Approval of Class Action Settlement and Proposed
17 Order Preliminarily Approving Class Action Settlement with the following attachments:
18 Stipulation of Settlement, Notice of Pendency and Proposed Settlement of Class Action, Proof of
19 Claim and Release, Summary Notice and Proposed Final Judgment and Order of Dismissal with
20 Prejudice. These documents detail class members' rights to request to be excluded from the
21 class action.

22 3. Pursuant to 28 U.S.C. § 1715(d), an order giving final approval of the proposed
23 settlement may not be issued earlier than ninety days after the date on which the appropriate state
24 and federal officials have been notified of the proposed settlement.

25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: March 25, 2008

Respectfully submitted,

LATHAM & WATKINS LLP
PATRICK E. GIBBS
JENNIE FOOTE FELDMAN

By: _____/s/_____
PATRICK GIBBS

*Attorneys for Defendants Terayon
Communication Systems, Inc., Zaki
Rakib, Jerry D. Chase, Mark A.
Richman, Edward Lopez, Ray Fritz,
Carol Lustenader, Matthew Miller,
Shlomo Rakib, Doug Sabella,
Christopher Schaepe, Mark Slaven,
Lewis Solomon, Howard W. Speaks,
Arthur T. Taylor, and David
Woodrow*

Dated: March 25, 2008

MORGAN, LEWIS & BOCKIUS LLP
JOHN HEMANN
MICHAEL J. LAWSON
SHEILA A. JAMBEKAR

By: _____/s/_____
JOHN HEMANN

One Market
Spear Street Tower
San Francisco, CA 94105
Tel: 415-442-1000
Fax: 415-442-1001

*Attorneys for Defendant Ernst &
Young LLP*

*Filer's Attestation: Pursuant to General Order No. 45, Section X(B), Patrick E. Gibbs hereby
attests that concurrence in the filing of this document has been obtained.*

EXHIBIT

1

Patrick E. Gibbs
Direct Dial: (650) 463-4696
patrick.gibbs@lw.com

140 Scott Drive
Menlo Park, California 94025
Tel: +1 650.328.4600 Fax: +1 650.463.2600
www.lw.com

LATHAM & WATKINS LLP

FIRM / AFFILIATE OFFICES
Barcelona New Jersey
Brussels New York
Chicago Northern Virginia
Frankfurt Orange County
Hamburg Paris
Hong Kong San Diego
London San Francisco
Los Angeles Shanghai
Madrid Silicon Valley
Milan Singapore
Moscow Tokyo
Munich Washington, D.C.

File No. 042179-0009

March 6, 2008

Troy King, Attorney General
State House
11 S. Union Street
Montgomery, AL 36130

Re: *Adrian Mongeli, et al. v. Terayon Communication Systems, Inc.*
Case No. C 06-03936 CW
Notice of Class Action Settlement Pursuant to 28 U.S.C. §1715 et seq.

Dear Mr. King:

Pursuant to 28 U.S.C. §1715 et seq., enclosed is a CD containing the following information in PDF format:

1. Joint Motion for Preliminary Approval of Class Action Settlement and Proposed Order Preliminarily Approving Class Action Settlement, including the following attachments: Stipulation of Settlement, Notice of Pendency and Proposed Settlement of Class Action, Proof of Claim and Release, Summary Notice and Proposed Final Judgment and Order of Dismissal with Prejudice. These documents detail class members' rights to request to be excluded from the class action.

2. Complaint originally filed June 23, 2006 and styled *I.B.I. Investments Ltd, et al. v. Terayon Communication Systems, Inc.* Case No. C 06-03936 MJJ (N.D. Cal.); Amended Complaint filed January 8, 2007 and styled *Adrian Mongeli, et al. v. Terayon Communication Systems, Inc.*, Case No. C 06-03936 CW (N.D. Cal.), pending in the United States District Court for the Northern District of California.

Pursuant to 28 U.S.C. §1715(b)(7)(B), Defendants are required to provide estimates of the number of class members and estimated proportionate share of the claims. This information is based on the most accurate data available to Defendants, which was gathered from May 2006. Based upon that data, Defendant reasonably estimates the number of class members residing in each affected State and the estimated proportionate share of the claims of such members to the entire settlement as follows:

March 6, 2008
Page 2

LATHAM & WATKINS LLP

STATE	ESTIMATED CLASS MEMBERS	ESTIMATED SETTLEMENT SHARE
Alabama	1	Less than 1%
Arizona	5	Less than 1%
Arkansas	3	Less than 1%
California	210	8%
Colorado	5	Less than 1%
Connecticut	8	Less than 1%
District of Columbia	2	Less than 1%
Florida	14	Less than 1%
Georgia	6	Less than 1%
Hawaii	1	Less than 1%
Illinois	14	Less than 1%
Indiana	4	Less than 1%
Kansas	4	Less than 1%
Kentucky	1	Less than 1%
Louisiana	2	Less than 1%
Maryland	4	Less than 1%
Massachusetts	8	Less than 1%
Michigan	11	Less than 1%
Minnesota	2	Less than 1%
Missouri	7	Less than 1%
North Carolina	3	Less than 1%

March 6, 2008
Page 3

LATHAM & WATKINS ^{LLP}

STATE	ESTIMATED CLASS MEMBERS	ESTIMATED SETTLEMENT SHARE
Nevada	2	Less than 1%
New Jersey	13	Less than 1%
New Mexico	1	Less than 1%
New York	19	91%
North Carolina	3	Less than 1%
Ohio	17	Less than 1%
Oklahoma	3	Less than 1%
Oregon	2	Less than 1%
Pennsylvania	12	Less than 1%
South Carolina	1	Less than 1%
Tennessee	2	Less than 1%
Texas	9	Less than 1%
Utah	4	Less than 1%
Vermont	2	Less than 1%
Virginia	8	Less than 1%
Washington	7	Less than 1%
West Virginia	2	Less than 1%
Wisconsin	3	Less than 1%
Wyoming	2	Less than 1%

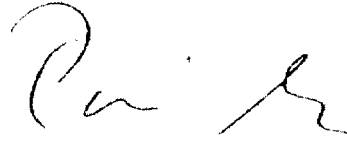
3. The judicial hearing for preliminary approval is scheduled for April 3, 2008, however, at this point no judicial opinions regarding the materials described in paragraph one have been issued.

March 6, 2008
Page 4

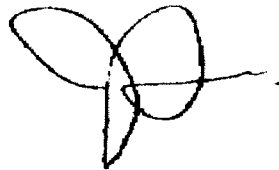
LATHAM & WATKINS^{LLP}

Please contact Patrick E. Gibbs at 650-328-4600 or Plaintiffs' Counsel Joseph E. White at 561-394-3399, if you have any questions regarding this Notice or the settlement.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick E. Gibbs".

Patrick E. Gibbs
of LATHAM & WATKINS LLP
*Counsel for Defendants Terayon Communication
Systems, Inc., Zaki Rakib, Jerry D. Chase,
Mark A. Richman, Edward Lopez,
Ray Fritz, Carol Lustenader, Matthew Miller,
Shlomo Rakib, Doug Sabella, Christopher Schaepe,
Mark Slaven, Lewis Solomon, Howard W. Speaks,
Arthur T. Taylor and David Woodrow*

A handwritten signature in black ink, appearing to read "John Hemann".

John Hemann
of MORGAN, LEWIS & BOCKIUS LLP
One Market, Spear Street Tower
San Francisco, CA 94105
Counsel for Defendant Ernst & Young LLP

EXHIBIT

2

PROOF OF SERVICE

I am employed in the County of San Mateo, State of California. I am over the age of 18 years and not a party to this action. My business address is Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025.

On **March 6, 2008**, I served the following document described as:

**NOTICE OF CLASS ACTION SETTLEMENT
PURSUANT TO 28 U.S.C. §1715 ET SEQ.**

by serving a true copy of the above-described document in the following manner:

BY U.S. EXPRESS MAIL DELIVERY

I am familiar with the office practice of Latham & Watkins LLP for collecting and processing documents for overnight mail delivery by Express Mail or other express service carrier. Under that practice, documents are deposited with the Latham & Watkins LLP personnel responsible for depositing documents in a post office, mailbox, subpost office, substation, mail chute, or other like facility regularly maintained for receipt of overnight mail by Express Mail or other express service carrier; such documents are delivered for overnight mail delivery by Express Mail or other express service carrier on that same day in the ordinary course of business, with delivery fees thereon fully prepaid and/or provided for. I deposited in Latham & Watkins LLP' interoffice mail a sealed envelope or package containing the above-described document and addressed as set forth below in accordance with the office practice of Latham & Watkins LLP for collecting and processing documents for overnight mail delivery by Express Mail or other express service carrier:

James D. "Buddy" Caldwell, Attorney
General
P.O. Box 94095
Baton Rouge, LA 70804-4095

Roy Cooper, Attorney General
Dept. of Justice
P.O. Box 629
Raleigh, NC 27602-0629

Gary King, Attorney General
P.O. Drawer 1508
Sante Fe, NM 87504-1508

Henry McMaster, Attorney General
Rembert C. Dennis Office Bldg.,
P.O. Box 11549
Columbia, SC 29211-1549

Greg Abbott, Attorney General
Capitol Station
P.O. Box 12548
Austin, TX 78711-2548

BY FEDERAL EXPRESS DELIVERY

I am familiar with the office practice of Latham & Watkins LLP for collecting and processing documents for overnight mail delivery by Express Mail or other express service carrier. Under that practice, documents are deposited with the Latham & Watkins LLP personnel responsible for depositing documents in a post office, mailbox, subpost office, substation, mail chute, or other like facility regularly maintained for receipt of overnight mail by Express Mail or other express service carrier; such documents are delivered for overnight mail delivery by Express Mail or other express service carrier on that same day in the ordinary course of business, with delivery fees thereon fully prepaid and/or provided for. I deposited in Latham & Watkins LLP' interoffice mail a sealed envelope or package containing the above-described document and addressed as set forth below in accordance with the office practice of Latham & Watkins LLP for collecting and processing documents for overnight mail delivery by Express Mail or other express service carrier:

Troy King, Attorney General
State House
11 S. Union Street
Montgomery, AL 36130

Dustin McDaniel, Attorney General
200 Tower Building
323 Center Street
Little Rock, AR 72201-2610

Edmund G. Brown Jr., Attorney General
1300 I Street
Suite. 1740
Sacramento, CA 95814

John Suthers, Attorney General
1525 Sherman Street
Denver, CO 80203

Richard Blumenthal, Attorney General
55 Elm Street
Hartford, CT 06141-0120

Peter Nickles, Attorney General
John A. Wilson Building
1350 PA Avenue NW
Suite 409
Washington, DC 20009

Bill McCollum, Attorney General
The Capitol PL 01,
Tallahassee, FL 32399-1050

Thurbert E. Baker, Attorney General
40 Capitol Square SW
Atlanta, GA 30334-1300

Mark J. Bennett, Attorney General
425 Queen Street
Honolulu, HI 96813

Lisa Madigan, Attorney General
James R. Thompson Center
100 W. Randolph Street
Chicago, IL 60601

Steve Carter, Attorney General
Indiana Government Center South
5th Floor
402 West Washington Street
Indianapolis, IN 46204

Stephen Six, Attorney General
120 S.W. 10th Avenue
2nd Floor
Topeka, KS 66612-1597

Jack Conway, Attorney General
700 Capitol Avenue
Capitol Building, Suite 118
Frankfort, KY 40601

Douglas F. Gansler, Attorney General
200 St. Paul Place
Baltimore, MD 21202-2202

1	Martha Coakley, Attorney General	Mike Cox, Attorney General
2	1 Ashburton Place	525 W. Ottawa St.,
3	Boston, MA 02108-1698	Lansing, MI 48909-0212
4	Lori Swanson, Attorney General	Jeremiah W. Nixon, Attorney General
5	State Capitol	Supreme Court Building
6	Suite 102	207 W. High Street
7	St. Paul, MN 55155	Jefferson City, MO 65101
8	Catherine Cortez Masto, Attorney General	Anne Milgram, Attorney General
9	Old Supreme Ct. Bldg.	Richard J. Hughes Justice Complex
10	100 N. Carson Street	25 Market Street, CN 080,
11	Carson City, NV 89701	Trenton, NJ 08625
12	Andrew Cuomo, Attorney General	Marc Dann, Attorney General
13	Dept. of Law	State Office Tower
14	The Capitol	30 E. Broad Street
15	2nd Floor	Columbus, OH 43266-0410
16	Albany, NY 12224	
17	W.A. Drew Edmondson, Attorney General	Hardy Myers, Attorney General
18	State Capitol - Rm. 112	Justice Building
19	2300 N. Lincoln Blvd.	1162 Court Street NE
20	Oklahoma City, OK 73105	Salem, OR 97301
21	Tom Corbett, Attorney General	Robert E. Cooper, Jr., Attorney General
22	1600 Strawberry Square	500 Charlotte Avenue
23	Harrisburg, PA 17120	Nashville, TN 37243
24	Mark Shurtleff, Attorney General	William H. Sorrell, Attorney General
25	State Capitol	109 State Street
26	Room: 236	Montpelier, VT 05609-1001
27	Salt Lake City, UT 84114-0810	
28	Bob McDonnell, Attorney General	Rob McKenna, Attorney General
	900 E. Main Street	1125 Washington Street SE
	Richmond, VA 23219	Olympia, WA 98504-0100
	Darrell V. McGraw Jr., Attorney General	J.B. Van Hollen, Attorney General
	State Capitol	State Capitol
	1900 Kanawha Blvd.	Suite 114 E.
	E. Charleston, WV 25305	Madison, WI 53707-7857
	Bruce A. Salzburg, Attorney General	Michael B. Mukasey
	State Capitol Building	U.S. Attorney General
	Cheyenne, WY 82002	U.S. Department of Justice
		950 Pennsylvania Avenue, NW
		Washington, DC 20530-0001

1 Terry Goddard, Attorney General
2 1275 W. Washington Street
3 Phoenix, AZ 85007

4 I declare that I am employed in the office of a member of the Bar of, or permitted
5 to practice before, this Court at whose direction the service was made and declare under penalty
6 of perjury under the laws of the State of California that the foregoing is true and correct.

7 Executed on **March 6, 2008**, at Menlo Park, California.

8 
9 Bonnie B. Sickinger